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Contract No. SP-1724

EXHIBIT "A"

PART I - SUPPLIES AND SERVICES TO BE FURNISHED

- A. The Contractor shall furnish the necessary personnel, supplies, facilities, consultants, and shall do all other things necessary to construct eight (8) aircraft variants of the type supplied under Contract D-5111, including therein such additional features, as may be agreed to between the Contractor and the Government, which will improve the capabilities and operation of the variant.
- B. The Contractor shall keep the Government informed of progress being made in the construction of the variants required hereunder and shall exert its best efforts to complete and deliver the variants as follows: 3 units by 29 March 1956, 4 units by 26 April 1956 and 1 unit by 3 May 1956. The Contractor shall submit a final report of the work performed hereunder including all changes made in the design of the variant furnished under Contract D-5111.

PART II - PAYMENTS

- A. In consideration of the Contractor's performance of the work under this contract, the Government shall pay the Contractor the sum of \$110,600, subject to redetermination of the final price of this contract, upward or downward, in accordance with the price redetermination clause to be incorporated in the definitive contract. Such redetermination clause is hereby agreed to be of the Form IV type. No limitation of a maximum price is specified in this letter contract; however, the Contractor and the Contracting Officer agree, prior to negotiations of the Definitive Contract, to review the contract work and estimated price set forth in this Exhibit "A" to determine whether or not a more realistic contract price can be assigned at that time. The revised contract price assigned at the time of negotiation of the Definitive Contract will be subject to redetermination of price, either upward to a maximum price to be established in the definitive contract by mutual agreement or downward, after completion of the work, in accordance with Clause Form IV, Price Redetermination.
- B. The Contractor may invoice the Government for costs incurred under this Letter Contract and the Government shall reimburse the Contractor

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for such costs on a progress payment basis. The Government shall pay invoices received under this contract within 10 days of receipt of such invoices.

PART III - SPECIAL CONSIDERATIONS

- A. Overheads - Allowable costs for performing work and services under this contract shall include amounts for overhead, indirect charges, and other elements of cost excluded from or not covered by direct costs, computed at the following fixed rates:

Overhead at 85.8% of Direct Labor dollars.

General and Administrative Expense at 11.4% of all costs, exclusive of General and Administrative Expense.

- B. Overtime - The premium portion of overtime work shall be a direct charge to this contract, not subject to the application of overhead but subject to General and Administrative Expense. The straight time portion of overtime shall be treated the same as other Direct Labor.
- C. Travel - Necessary travel in connection with this contract shall be considered as a direct cost to this contract.

PART IV - PERIOD OF PERFORMANCE

The period of performance of this contract shall commence on 1 March 1956 and shall be completed no later than 15 May 1956.

PART V - SPECIAL SECURITY RESTRICTIONS

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The Contractor shall not reveal (i) the specific nature or any details of the work being performed hereunder or (ii) any information whatsoever with respect to the departments of the Government sponsoring this contract and the work thereunder except as the Contractor is directed or permitted to reveal such information by the Contracting Officer or by his duly authorized representative for security matters.

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